



CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D. C. 20505

OFFICE OF THE DIRECTOR

OKC 71-0563

28 June 1971

The Honorable George P. Shultz
Director
Office of Management and Budget
Washington, D. C. 20503

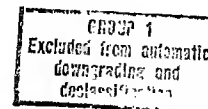
Dear Mr. Shultz:

On 16 June 1971 the Director wrote you about the dilemma we have been facing with regard to Radio Free Europe and Radio Liberty and asked your guidance with regard to the responsibilities of the Central Intelligence Agency after 30 June 1971. On 18 June 1971 Mr. Schlesinger responded with instructions to prepare a realistic liquidation plan for the radios. This has now been done and enclosed is the report of the Task Force which contains a comprehensive plan for both radios.

While the figures provided are believed to be realistic, they cannot, of course, be precise in all respects as there are numerous circumstances which have a bearing on the final costs in the event of liquidation. These include legal considerations having to do with the termination of employees and relationships with their unions, disposition of leased premises, and possible problems resulting from negotiations with foreign governments.

The Task Force was required to give consideration to the problem of termination by 30 June 1971 in the event that congressional inaction appeared to prevent the continuance of the radios beyond that date. This matter is addressed in paragraph 5 of the Task Force's report, but meanwhile the Senate Appropriations

SECRET



Committee has taken action in connection with the radios in the continuing resolution, H. J. Res. 742, which provides specifically for funds for "activities in support of Free Europe, Incorporated, and Radio Liberty, Incorporated, pursuant to authority contained in the United States Information and Education Exchange Act of 1948, as amended (22 U.S.C. 1437). . . ." The present indications are that this will get favorable consideration in the House.

In view of the above, we do not plan to take any immediate termination action, such as notice of termination to employees, unless specifically instructed to do so. Such instructions would have to be received not later than the afternoon of 29 June 1971. In this connection, comments in paragraphs 4 and 8 of the Task Force's report should be considered.

You will note that the Task Force's report and its attachments raise a number of serious problems which must be resolved at some time whether the radios are continued permanently or whether they are liquidated at a later date. Assuming that they will be continued at least for the period of the continuing resolution, it is essential that we be advised as to the responsibilities after 30 June 1971 of the Central Intelligence Agency in connection with the Government's sponsorship of the radios and the problems referred to above.

Sincerely,

SIGNED

R. E. Cushman, Jr.
Lieutenant General, USMC
Acting Director

Enclosure

Distribution:

O-Addressee	1-DDP
1-A/DCI	1-PPB
1-ExDir-Compt	1-CA
1-ER	1-OLC
	1-OGC

OGC:LRH:jeb

SECRET